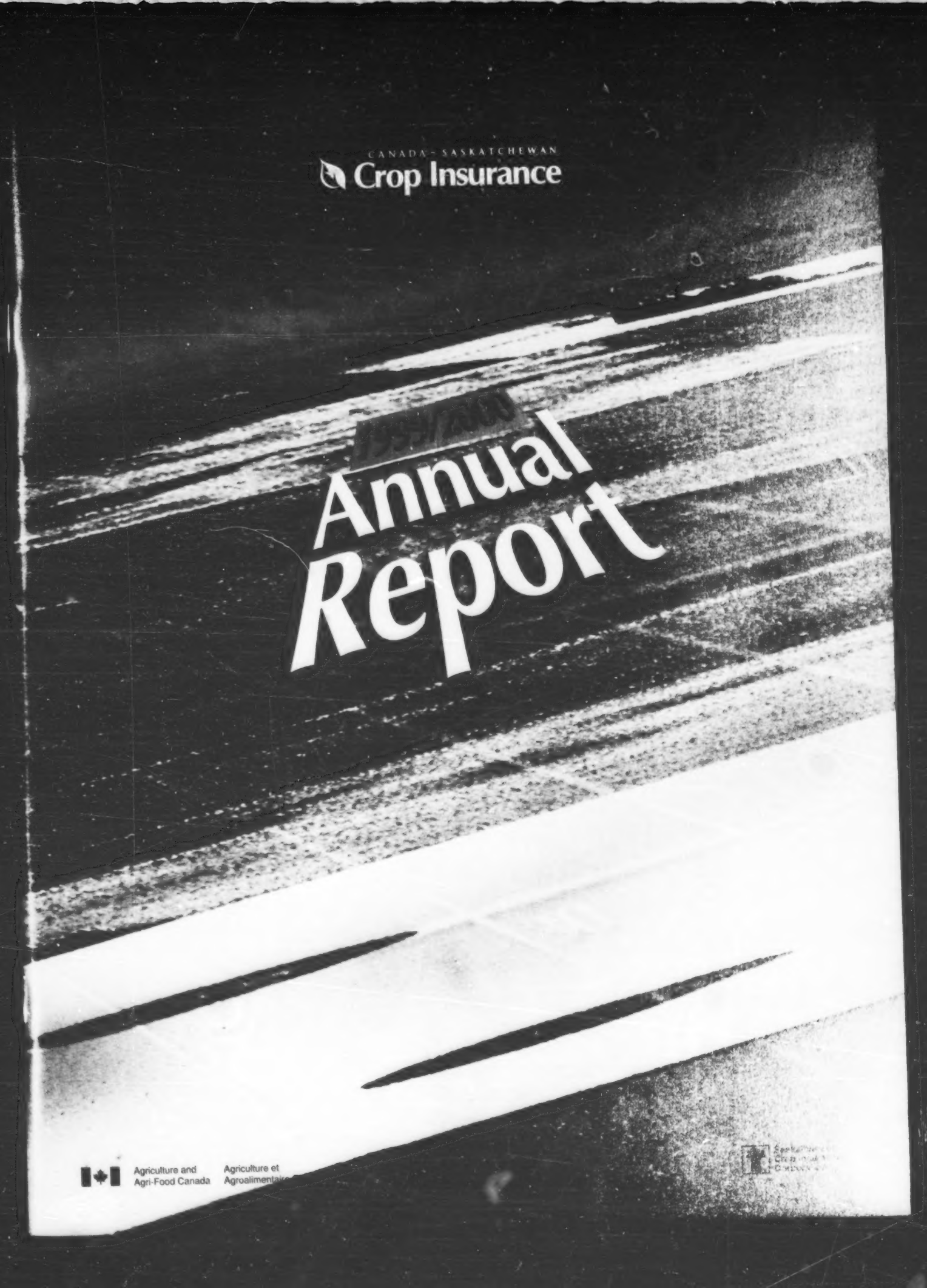
CANADA - SASKATCHEWAN

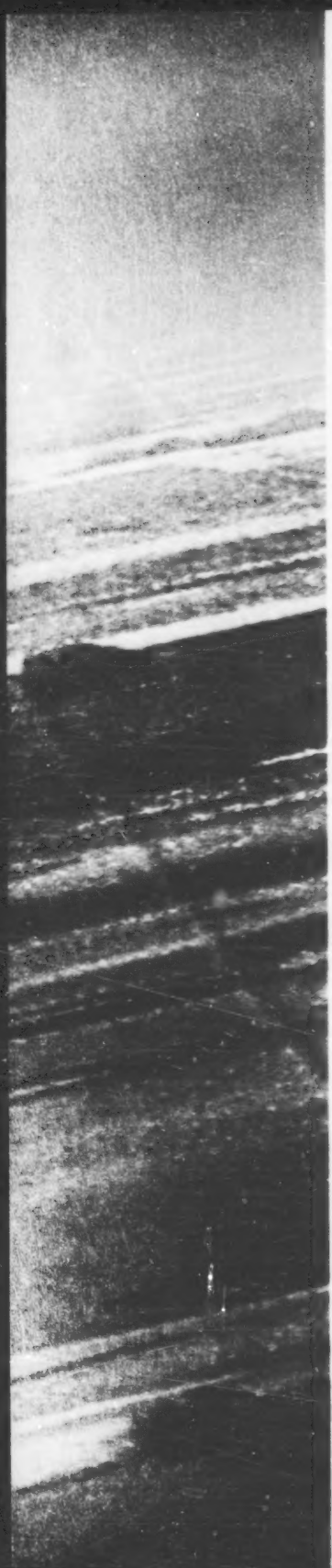
Crop Insurance

Annual Report



Agriculture and Agri-Food Canada

Agriculture et Agroalimentaire



Participation Statistics

	Crop Year	
	1999	1998
FINANCIAL STATEMENT SUMMARY		
Total Premium (millions)	$181.4	$192.2
Total Indemnities (millions)	$94.7	$91.7
Loss Ratio	.52	.48
CROP YEAR SUMMARY FOR GRAINS		
Insured Acres (millions)		
Grains	20.4	21.5
Hail	15.8	16.1
Contracts		
Grains	33,513	35,336
Total Liability (billions)	$1.6	$1.6
Coverage Levels		
Based on insured acres per crop		
50%	18%	18%
60%	9%	9%
70%	59%	58%
80%	14%	15%
Weighted Average	67%	67%
Grains – Yield Loss, Establishment Benefit, Unseeded Acres Claims		
Claims	14,781	15,452
Premiums (millions)	$136.4	$149.7
Indemnities (millions)		
Yield Loss	$40.8	$59.4
Establishment Benefit	$3.7	$7.3
Unseeded Acres	$20.6	$0.0
Total	$65.1	$66.7
Hail		
Claims (paid claims)	8,044	6,780
Premiums (millions)	$42.2	$42.1
Indemnities (millions)	$28.8	$22.0
Supplementary Unseeded Acres Benefit	$33.5	$0.0

Claims Summary 1999

	Crop Year	
	1999	1998
Post-Harvest	6,324	11,483
Total Yield Loss	286	664
Establishment Benefit (Reseeding)	2,121	3,304
Unseeded Acres	6,050	1
	14,781	15,452

*This summary is for paid claims only and does not include hail claims.
Information is for multi-peril yield-loss crop insurance only.
*This does not include Livestock Feed Insurance Program claims.

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1999 - 2000 Crop Insurance Annual Report

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Letters of Transmittal

To Her Honour
The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan

Your Honour:
It is my privilege to submit the annual report of the Saskatchewan Crop Insurance Corporation for the year ending March 31, 2000, including financial statements audited by KPMG LLP in the form approved by Treasury Board in accordance with the Saskatchewan Crop Insurance Act, 1984.

I have the honour to be,
Your obedient servant,

Dwain Lingenfelter
Deputy Premier and
Minister of Agriculture and Food

To the Honourable Dwain Lingenfelter
Deputy Premier and
Minister of Agriculture and Food
Regina, Saskatchewan

Dear Sir:

I present to you the 1999-2000 annual report of the Saskatchewan Crop Insurance Corporation (SCIC).

The 1999 crop year demonstrated SCIC's continuing commitment to providing producers with an affordable program that provides risk management and stability for producers.

Respectfully submitted,

Ernie Spencer
Chair of the Board
Saskatchewan Crop Insurance Corporation

Looking Back – A Year In Review

Crop Insurance has diligently served Saskatchewan producers since 1961. In that time much has changed, both in agricultural practices and in the insurance program. What hasn't changed is Saskatchewan Crop Insurance Corporation's (SCIC) goal of providing a comprehensive all-risk insurance plan.

Extensive research and consultation continue to be an essential part of designing the insurance program. By working with our customers, producer groups, industry specialists and university research organizations, we have been able to insure a greater variety of crops and offer producers more flexibility to meet their own risk management preferences.

SCIC is committed to continuing to provide customers with a program that is responsive to their needs, is environmentally conscious and utilizes technology to everyone's benefit.

By participating in crop insurance, producers minimize the impact of severe losses on farming operations due to natural and weather related perils. Crop insurance cannot protect producers against market place fluctuations, but it can help protect against Mother Nature.

Considerable challenge and change marked the 1999-2000 crop year. The low commodity prices had put a strain on farm families and the entire rural economy felt the effects. In response to the economic situation, SCIC extended its March 15 deadline to sign-up, renew or cancel a contract to March 31. This extension allowed producers more time to make a decision about what risk management program was best for them. Producers with outstanding premiums from 1998 were also offered an option to pay 25 per cent of the balance by March 31 with the remainder paid by postdated cheques no later than June 30.

A continuous goal of the corporation is to keep premiums low. This year premiums were an average of 40 per cent less for each dollar of coverage than they were in 1996. This represented a seven per cent rate reduction from last year. A total of 33,513 customers participated in the program.

It was a tumultuous year for producers both economically and climatically. Cool soil temperatures and strong winds were a dominant factor in the spring. By the end of May only 68 per cent of the crop was planted, which was well below the norm for seeding in the province.

Delayed seeding meant that crops were one to four weeks behind average development during the growing season. To increase producers' options in responding to adverse seeding conditions, SCIC made the following program changes:

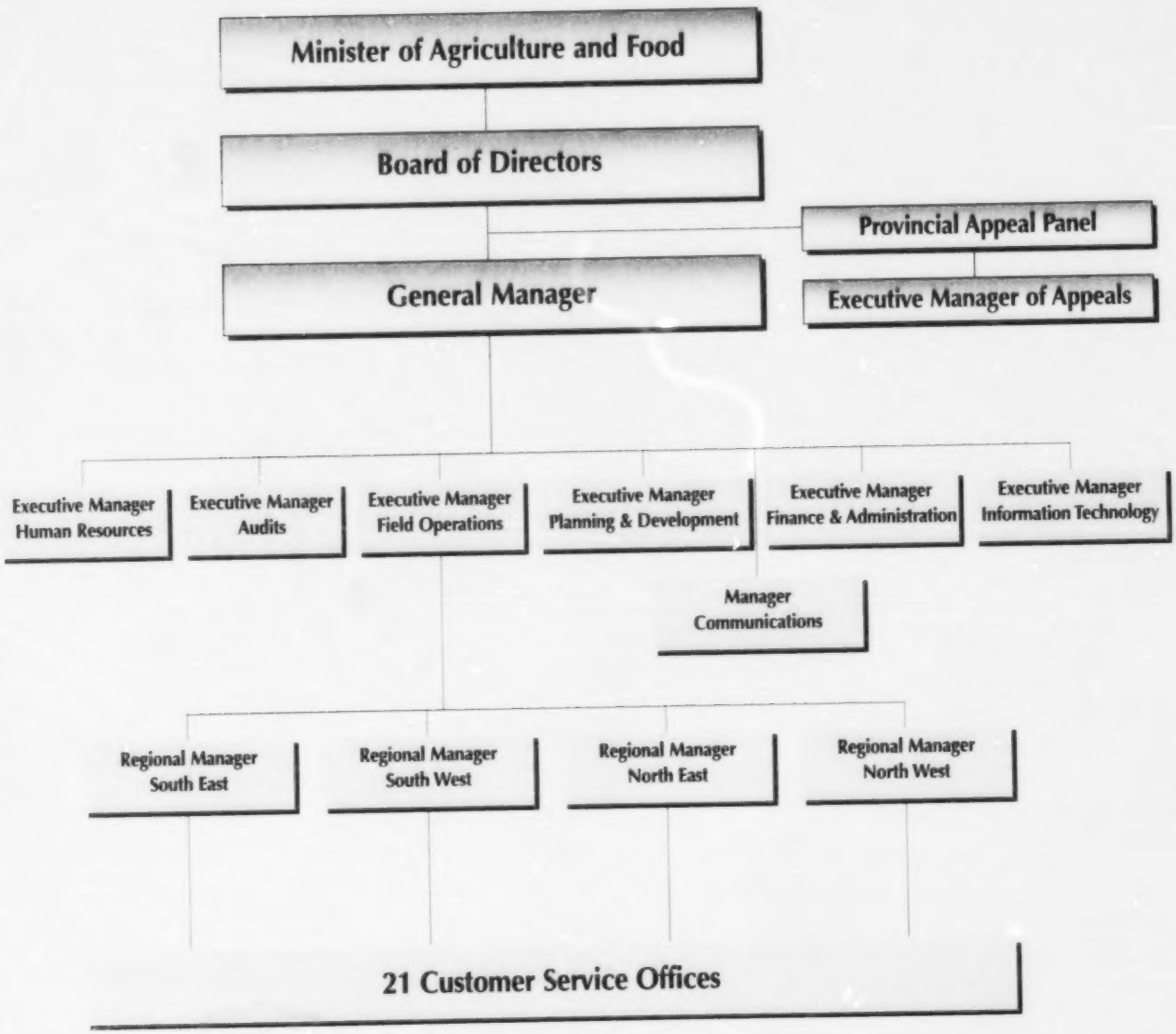
- Extending the seeding deadline from June 20 to June 25 for early maturing crops in areas too wet to seed
- For all other crops, extending the seeding deadline for five days beyond the normal seeding date required given the crop's time to mature and the date of first fall frost in the producer's area
- Allowing insured producers to select early maturing crops not previously selected for insurance coverage, where they were not able to meet seeding deadlines for later maturing crops insured under their contracts
- Allowing crop insurance contract holders who did not select greenfeed coverage but who did select cereals to add greenfeed coverage to their contracts

The corporation has also positioned itself to be able to deliver a range of programs. This proved invaluable as SCIC was able to deliver additional ad-hoc support for producers in 1999 with spring flooded land and in early 2000 to begin preparation to deliver the Canada-Saskatchewan Adjustment Program to provide financial support to producers in the spring.

This year will be remembered for each of the challenges, but also because SCIC continued to focus and plan for ways to meet customer needs, improve business processes and provide quality customer service.

Doug Matthies
General Manager

Organization Chart



Corporate Profile

The Saskatchewan Crop Insurance Corporation (SCIC) is a provincial Crown Corporation established under the Crown Corporation Act and continued under the *Crop Insurance Act*. SCIC is part of the Minister of Agriculture and Food's portfolio. This allows the Minister to co-ordinate crop insurance with the agricultural policies of the government. The general manager of SCIC reports to an Associate Deputy Minister of Saskatchewan Agriculture and Food.

SCIC Mandate

To provide crop production insurance to farm businesses in order to manage production risk and to stabilize the farm economy.

Purpose

SCIC provides producers with multi-peril insurance arising from uncontrollable natural causes on fall and spring seeded crops as well as forage crops.

Governing Legislation

The Canada-Saskatchewan Crop Insurance Program is governed by the following regulations and agreements:

Farm Income Protection Act (federal)

Crop Insurance Act (provincial)

Agricultural Safety Net Act (provincial)

Crop Insurance Regulations (federal and provincial)

Canada-Saskatchewan Crop Insurance Agreement

Canada-Saskatchewan Crop Insurance Operations Document

The corporation also administers grant payments under the Waterfowl Crop Damage Compensation Program and the Big Game Crop Damage Compensation Program. Both programs are governed under the provincial *Farm Financial Stability Act and associated Regulations.*

Crop Insurance Board

Crop Insurance Board of Directors is responsible for the overall direction, development and delivery of the crop insurance program. Decisions involving major financial or policy implications are developed through consultations with producers and industry, and must be approved by the federal and provincial governments. At March 31, 2000 the Board members were Ernie Spencer – Chair and Associate Deputy Minister of Agriculture, Hal Cushon – Vice-Chair, Directory of Policy and Program and Development, Saskatchewan Agriculture, Wilson Olive, Norm Ballagh, Arlee McGrath and Ferne Nielsen. Some members of the board are active farmers.

Appeal Panel

The Provincial Appeal Panel is an advisory committee of producers appointed by the Board to consider and make recommendations on individual producers' concerns with their insurance. The process is voluntary and informal hearings are held on a regular basis with both customers and staff presenting information to the panel members. A recommendation is made by the panel and presented to the Board of Directors.

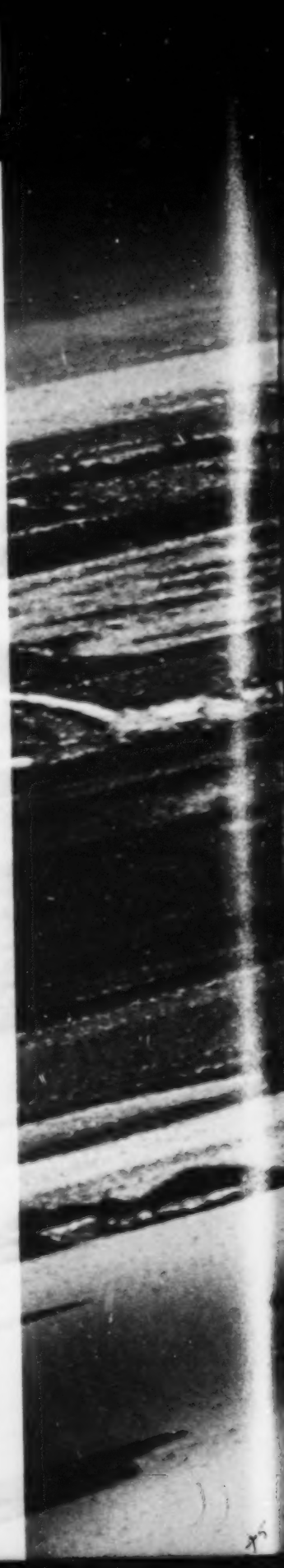
The provincial appeal panel was established to provide a fair and efficient resolution to customer's issues. The panel members understand agriculture and the rural community because they all actively farm. For the period ending March 31, 2000, the members are Harry Bastness, Chairperson (Hagan), Jim Bulych, Vice-Chairperson (Foam Lake), Janice Stirling (Mortlach), Gordon Taylor (Davidson), Glen Lowndes (Kelvington) and Brian Kramer (Southey).

Priorities and Objectives

Saskatchewan Crop Insurance Corporation utilizes a corporate planning system which is intended to be both directional for the organization and detailed enough to set out expectations for each employee. The directional aspects of the planning process are required to be consistent with the mandate of SCIC and those goals of Saskatchewan Agriculture and Food (SAF) to which the corporation can best contribute.

During 1999-2000, the SAF goals crop insurance contributed to and the results achieved are set out below:

Goal 1: Effective Management of business risks with the agri-food industry responding to market signal, about what to produce.	
Objectives:	***Accomplishments:***
1. To provide insurance protection to producers to help them effectively manage their production risk.	20.4 million acres were insured, down from 1998, however a substantial portion of southwest Saskatchewan was flooded and unseeded.
Customer Yield Records (a) To research the following potential changes to the insurance program: • updating previous historical area average data with more current production information.	The extreme flooding in southeastern Saskatchewan in 1999 caused the corporation to re-focus a significant part of its activities to address the later seeding and unseeded coverage issues. This included program changes and ad-hoc measuring announced by the federal and provincial ministers of Agriculture. In total, $54 million was paid out on flooded land, later seeding guidelines were established, and changes were made to allow customers to add shorter season crops. Research progressed on all the objectives but will be carried over to the next year.
(b) Consider a capping mechanism to guard against dramatic yield decline on an individual contract basis.	
(c) Consider reduced years in yield establishment histories and reduced emphasis on existing risk areas and soil classes.	
(d) Consider changes to bean insurance program to meet forecasted changes to Saskatchewan's industry.	
(e) Consider other possible insurance needs in support of livestock/forage diversification.	
(f) Consider expanding the insurable area of crops with a restricted area within the current program.	Work progressed in 1999 so that for the 2000 crop year the sunflower insurance program was expanded to more parts of the province.
(g) In anticipation of future growth of the organic sector, partner with industry to identify any insurance changes desired.	Industry consultations suggest this sector first needs to address internal issues, such as the development of consistent rational standards to organic certification.
(h) Review methods of establishing coverage for crops not previously insured by customer that might recognize previous farm management practices as a potential indicator of the level of husbandry to new crops.	Issue was studied in 1999 and a management experience transfer process was implemented in 2000.
2.To research innovative alternative risk management arrangements to potentially achieve more efficient uses of resources or improved risk protection for producers.	The New Crops Insurance Program was continued and protection was offered for coriander and caraway in 1999. Approximately 15 non-insurable crops were also monitored for possible future coverage.
(a) Explore private sector reinsurance opportunities to be better positioned to evaluate alternatives when the current reinsurance arrangements expire on March 31, 2001.	A two year pilot program to use private reinsurance for the New Crops Program was developed during 1999 and implemented for the 2000 crop year.
(b) Consider private sector alliances to provide greater specific loss protection for producers.	Some initial contacts and meetings were arranged, however this project has largely been carried over to the next year.



Goal 2: Client satisfaction through friendly and effective customer service	
Objectives:	***Accomplishments:***
1. To provide effective and timely customer service in a clear, concise and user friendly way, including the following specific initiatives:	$94.7 million in Crop Insurance indemnities were paid, plus $33.5 million supplementary unseeded acre benefits
(a) Implement direct deposit of claim indemnities as a quicker, convenient service to customers.	Achieved.
(b) Implement a service change to proactively gather unreported producer yield information to reduce the level of coverage dissatisfaction attributed to missing yields.	Done. Crop insurance staff try to obtain any missing information prior to the end of the next years insurance deadlines. Unreported yields are otherwise recorded as nil production.
(c) Further develop the SCIC website enabling forms to be downloaded and e-mail receipt of transactional information.	Done. In 1999-2000, the primary focus was on producer yield information forms and reporting. This will be expanded in the future.
(d) Review customer communication material as necessary.	This is an ongoing process to increase customer use and understanding.
(e) Update program regulations.	Done for program enhancement. Will continue to assess for user friendliness.
2. To ensure the infrastructure delivering the program is effective, efficient and meets the needs of stake holders, including:	Customer service is maintained through 21 local offices.
(a) Ensure Y2K issues are properly planned, safeguarded and monitored.	Done. No service disruptions occurred.
(b) Institute a pilot project to assess the feasibility of paying certain claims based on declared production with subsequent audit sampling.	Ongoing. Pilot was conducted in 1999, but is being carried over in 2000 to complete audits and continue assessment.
(c) Review business processes for possible improvements.	Done. Two internal committees established to provide mechanisms for identifying concerns and proposing solutions, and to ensure information system meets needs of operations.

Goal 3: A responsible and accountable organization with knowledge, skills, information and authority to perform with excellence.	
Objectives:	***Accomplishments:***
(a) Develop and deliver consistent adjuster training modules using a best practices approach.	Done.
(b) Finalize claim audits procedure manual.	Done.
(c) Develop additional claim documentation to assist in determining cause of loss and farm management practices.	Done. New supplementary information form developed and staff training.

1999 Program

The Saskatchewan Crop Insurance Program offers several features and options that allow producers to protect their crops in the way that best reflects their own management practices. The 1999 program presented several enhancements such as:

New Crops Insurance Program
Coriander and caraway were added to the New Crops Insurance Program. Insurance was also continued for chickpeas and alfalfa seed which have been insurable since 1998. This program was created to provide increased support for diversification and emphasizes co-operative development with industry.

Fall Crops
1999 Seeded Fall Rye and Winter Wheat
Winterkill coverage was offered as a separate option for fall crops. Producers had until August 25, 1999 to select winterkill insurance for crops seeded by September 25, 1999.

1999 Harvested Fall Rye and Winter Wheat
An establishment payment was made for winterkill damage to crops seeded in the fall of 1998 if producers insured the crop before March 15, 1998. These crops were also insured against spring related establishment losses, yield-loss and spot-loss hail.

Mustard Classes
Yellow, brown and oriental mustard were insured as separate crops with different prices.

Along with these enhancements the 1999 program offered producers the following:

Insurable Crops
Traditional crops: hard red spring wheat, durum, barley, oats, flax, canola, fall rye, sunflowers, extra strong red spring wheat, oriental mustard, yellow mustard, brown mustard, field peas, lentils, canary seed, soft white spring wheat (irrigation only), spring rye, triticale, winter wheat, fababeans, Canada prairie spring wheat, dry beans (irrigation only), and potatoes.

Forage: greenfeed, tame hay, dehydrated alfalfa and sweetclover.

Insurable Causes of Loss
Insurable causes of loss are natural hazards including: drought, flood, hail, wind, frost, lightning, accidental fire, excessive rain, snow, hurricane, tornado, wildlife, waterfowl, insects and/or plant disease.

1999 Premium Cost-Sharing
All premiums are cost-shared with the federal and provincial governments and with producers:

- For base coverage of 50 per cent of a producers average yield; governments pay 80 per cent and producers pay 20 per cent
- For buy-up coverage of 60, 70 or 80 per cent of average yield; governments pay 50 per cent and producers pay 50 per cent

Individual Coverage
Producers are guaranteed a minimum yield based on the coverage level or per cent of their long-term individual yield and that they choose (50,60,70 or 80 per cent). Area average yields are only used to assist in establishing the initial coverage for new contracts, or previously uninsured crops, and only if producers do not have 10 years of verifiable production records.

Spot-Loss Hail
Optional spot-loss hail protection is available on any crop insured for multi-peril coverage. The hail option is integrated with multi-peril traditional crop insurance, so producers will not be paid twice for the same loss. Premiums are cost shared on the same basis as buy-up coverage, however producers are limited to 70 per cent coverage if they take the additional spot-loss hail coverage.

1994 – 1999 Hail Statistics

Crop Year	Insured Hail Acres	Total Premium	Liability	Claimed Acres	Original Indemnity*	Yield Loss Offset	Hail Indemnity
1994	10,418,840	15,259,156	652,207,568	1,769,225	48,365,809	8,574,347	39,791,462
1995	12,814,141	24,343,157	827,611,796	2,332,598	59,266,091	6,993,089	52,273,002
1996	12,627,425	37,126,038	1,030,188,338	1,100,817	30,087,096	1,206,657	28,880,439
1997	15,478,236	42,254,911	1,166,309,070	1,354,377	36,240,239	3,559,915	32,680,324
1998	16,053,990	42,152,088	1,157,632,034	1,034,294	23,557,588	1,511,501	22,046,087
1999	15,750,810	42,244,822	1,185,713,732	1,328,469	30,563,353	1,734,587	28,828,766
TOTAL	**83,143,442**	**203,380,172**	**6,019,662,538**	**8,919,780**	**228,080,175**	**23,580,096**	**204,500,079**

** Hail claims are adjusted before harvest and loss amounts paid out are shown as the Original Indemnity. After harvest an adjustment is made to transfer that portion of the original indemnity that would have been paid under the yield loss program as a post-harvest claim.*

Establishment Benefit

An establishment benefit is available on crops that fail to adequately establish or which suffer significant damage prior to June 20. In 1999, producers were paid $17 per acre for the establishment benefit.

Production Guarantee

Crop insurance provides a production guarantee for producers. Yield-loss payments are based on the shortfall between the production guarantee and the harvest yield.

Quality Guarantee

In addition to production, quality is also a factor when calculating yield loss. A designated grade has been established for each crop based on an historical average grade per crop. When the grade of the harvested production is lower than the designated grade, the production is adjusted by a quality factor. This compensates for the loss in value as a result in grade loss.

Unseeded Acreage Feature

All contract holders are insured against excessive moisture that prevents them from seeding. In 1999, if by June 20 producers were unable to seed the number of acres they normally seed because of excessive spring moisture they were eligible for $25 per acre. Payments were based on 90 per cent of the number of acres normally seeded. This feature underwent changes after spring rains flooded much of the southeastern part of the province.

Yield loss Coverage

Coverage for yield-loss starts on June 21 for all established crops. Crop losses after June 21 but prior to harvesting are assessed by yield appraisals. Losses on harvested crops are based on production.

Insured Price

The insured price is the most likely price a commodity will sell for during the crop year, as forecasted by Agriculture and Agri-Food Canada

Pedigreed Seed Option

Customers selecting this option must be members of the Certified Seed Grower's Association. The Pedigreed Seed Option offers:

- A higher price option for insurable crops (oilseeds are 30 per cent higher and non-oilseeds 20 per cent higher)
- Adjustments if the quality or germination of the seed produced is below Certified Seed Standards

Producers selecting this option must select the same coverage at the same protection level as they did for commercial crops. Individual coverage and yield losses are calculated and updated separately for pedigreed crops and commercial crops.

Organic Crop Option
Certification is necessary to be eligible for the Organic Crop Option. Prices for producers who do not pass the certification process will be reverted to commercial prices, but the production guarantee will remain unchanged. Producers selecting this option must select the same crops and coverage levels as they did for their commercial crops.

The organic price option is set 30-50 per cent higher than the commercial price option, depending on the crop. Premium rates are also higher for organic crops than for the commercial program, reflecting the higher risk associated with growing organic crops.

Irrigation Option
The Irrigation Option offers increased coverage for all insurable crops that are irrigated. Spring flood type irrigation is not considered adequate.

Producers insuring a crop that is irrigated are also required to insure all acres of that crop seeded to dry land. All production will be considered in yield-loss adjustments regardless of whether it was grown on irrigated or dry land.

SCIC inspects the irrigated acres to establish the effectiveness of the irrigation schedule and application. Premium rates for irrigated crops are lower, reflecting the reduced risk.

Drought is not considered an insurable cause of loss under the Irrigation Option. Adequate water for irrigation must be available throughout the growing season.

Diversification Option
The Diversification Option is available to crops and varieties which are not insurable under the regular Crop Insurance Program or New Crops Insurance Program. Producers must have insured acres under the crop insurance grains program to select the diversification option.

Coverage levels, premiums and any claims paid for the crop or variety grown under the Diversification Option are equal to the average coverage, premium and claim for all insured acres under the grains program. A maximum of 20 per cent of total acres insured under the grains program could be included under the Diversification Option. Spot-loss hail coverage is not available on diversification acres.

Livestock Feed Insurance
Livestock Feed Insurance meets the varying needs of producers growing forage in their farming operation.

Insurance is available for:

Tame Hay
Tame hay covers established tame perennial forage grown for forage. These crops include alfalfa, alfalfa/grass, grass, and red clover.

Greenfeed
Greenfeed covers established annual cereal crops grown for forage. These crops include wheat, barley, oats, triticale, fall rye, and spring rye.

Forage Establishment Benefit
The forage establishment benefit provides establishment coverage on acres seeded to tame perennial forage, including alfalfa, alfalfa/grass, grass, and red clover.

Dehydrated Alfalfa
This covers established alfalfa acres contracted to a Saskatchewan dehy plant.

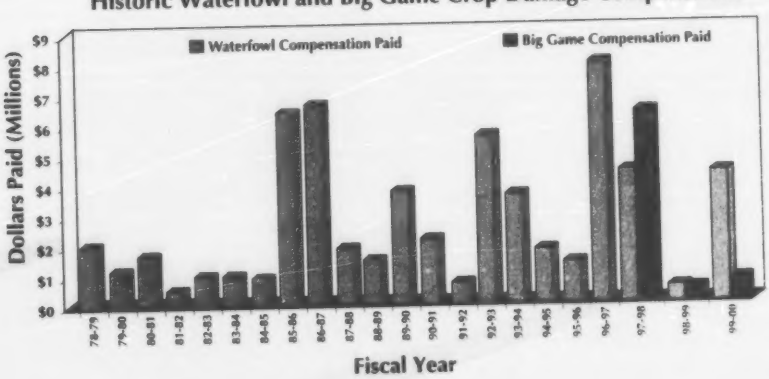
Sweetclover
Sweetclover acres grown for forage may be insured. Acres endorsed in the year they are seeded are covered for establishment. Acres that successfully establish are automatically insured for yield loss.

Livestock Feed Insurance Program
1999 Provincial Statistics

	Number of Endorsements	Number of Endorsements Receiving Indemnity	Acres Insured	Liability	Indemnity	Total Base Premium	Total Buyup Premium	Total Premium
Winterfeed	1,569	163	174,533	$8,188,514	$336,992	$952,969	$651,441	$1,604,410
Cereal	533	62	60,501	$3,768,597	$223,628	$295,603	$232,168	$527,771
FEBO (seeded year 1998)	378	13	42,407	$1,088,396	$34,229	$198,028	$0	$198,028
FEBO (seeded year 1999)	461	0	48,198	$1,252,369	-	$212,630	$0	$212,630
Dehy	99	5	19,912	$707,271	$5,469	$17,589	$37,390	$54,980
Sweetclover (seeded year 1998)	27	12	2,208	$130,487	$17,297	$9,795	$12,432	$22,227
Sweetclover (seeded year 1999)	17	0	1,197					
TOTAL	**3,084**	**255**	**348,956**	**$15,135,634**	**$617,615**	**$1,686,614**	**$933,431**	**$2,620,045**

Forage Establishment Benefit Option (FEBO) and Sweetclover are two year crops
FEBO - Premium charged in the first year, indemnity paid in the second year.
SC - Premium is charged in the second year, indemnity is all put into the second year.

Historic Waterfowl and Big Game Crop Damage Compensation



Annual Waterfowl Compensation Summary

YEAR	Claims	Compensation Paid	$/Claim
78-79	1,586	$ 1,836,587	$1,158
79-80	908	$ 977,476	$1,077
80-81	1,233	$ 1,465,480	$1,189
81-82	305	$ 312,061	$1,023
82-83	582	$ 684,593	$1,176
83-84	541	$ 869,910	$1,608
84-85	408	$ 763,530	$1,871
85-86	2,544	$ 6,389,022	$2,511
86-87	2,950	$ 6,658,769	$2,257
87-88	1,210	$ 1,779,933	$1,471
88-89	807	$ 1,337,903	$1,658
89-90	1,384	$ 3,727,130	$2,693
90-91	760	$ 2,138,380	$2,814
91-92	392	$ 683,391	$1,743
92-93	2,040	$ 5,557,642	$2,724
93-94	1,560	$ 3,603,156	$2,310
94-95	1,668	$ 1,778,556	$1,066
95-96	709	$ 1,352,767	$1,908
96-97	2,416	$ 7,951,921	$3,291
97-98	1,077	$ 4,361,668	$4,050
98-99	298	$ 520,360	$1,746
99-00	1,600	$ 4,309,428	$2,693
TOTAL	**26,978**	**$59,059,663**	
Average	**1,226**	**$ 2,684,530**	**$2,002**
5 Yr Average	**1,220**	**$ 3,699,229**	**$2,738**

Annual Big Game Damage Compensation Summary

YEAR	Claims	Compensation Paid	$/Claim
*97-98	1,671	$ 6,412,426	$3,837
98-99	264	$ 529,955	$2,007
99-00	400	$ 893,760	$2,234
TOTAL	**2,335**	**$ 7,836,141**	
4 Yr Average	**584**	**$ 1,959,035**	**$2,020**

* 97/98 includes claims from both 1996 and 1997 crop years. Saskatchewan Crop Insurance started administering the program in 1991. There was no program in 1994 and 1995. It started up again in November of 1996, but no claims from 1996 were paid out until 1997.

SCIC offers producers a risk management plan that they can use to insure their crops, but it has also established itself as an administrator for other agricultural programs.

SCIC administers the Waterfowl and Big Game Crop Damage Compensation program and helps gather data for the Saskatchewan Management Plus program. In the 1999-2000 year SCIC had the opportunity to administer and deliver the supplementary unseeded acreage benefit to all Saskatchewan producers whose land was too wet too seed, and the Canada-Saskatchewan Adjustment Program announced in February 2000.

Waterfowl and Big Game Crop Damage Compensation Programs

Waterfowl and big game damage to crops was more prevalent this year because of the late and prolonged harvest. Through these programs farmers can receive compensation for damage to crops from deer, antelope, mule deer, elk, bear, moose, sandhill cranes, ducks and geese. Producers suffering crop losses because of big game or waterfowl benefit with:

- 85 per cent compensation
- Payments based on the grade at the time of harvest
- $200 deductible per crop for all waterfowl and big game claims
- Producers do not have to be crop insurance contract holders to receive compensation
- There are no costs or premiums paid by the producer

Saskatchewan Management Plus (SMP)
This is a voluntary program providing information to producers on crop production technology and farm management practices based on actual producer data. Information collected is summarized and returned to the participants, helping them make their production planning decisions.

The information returned includes: average crop yields by variety on a localized basis, area yields by crop variety, yield by seeding method and average grade of the crops produced. Individual confidentiality is strictly maintained.

Although much of this information is available from other sources it is based on provincial or test plot data and not actual producer data. With SMP producers have additional, local information to help them make choices about farm management practices and insurance options.

Unseeded Acreage Benefit
This feature was added to all crop insurance contracts in 1996, ensuring that every customer would be protected from excessive spring moisture.

Continuous heavy spring rain during 1999 caused flooding throughout the southeastern parts of the province and an estimated 1.5 million acres went unseeded. While crop insurance customers were protected, it became apparent to both the Federal and Provincial Agriculture Ministers that more assistance was necessary and that uninsured producers would need to receive payments as well

In July, the ministers announced funding for flood stricken farmers providing up to $50 per acre to crop insurance customers and $25 per acre for non-customers. Producers who were not currently enrolled in crop insurance could make a special application to receive a payment. In addition, the province reduced the deductible on coverage from 10 per cent to five per cent. It was also agreed that a $50 per acre benefit with the five per cent deductible would be introduced into the basic crop insurance program starting in the year 2000.

Canada-Saskatchewan Adjustment Program (C-SAP)
A federal-provincial farm assistance program was announced in February of 2000, providing $260 million for Saskatchewan producers helping them complete the adjustment to the elimination of the transportation subsidies and the pooling of Canadian Wheat Board seaway costs.

SCIC began the task of administering this program after the announcement in February and had everything in place to deliver a hassle free program by mid-March.

Payments are based on the greater of producers' 1998 qualifying sales or their average qualifying sales for the tax period between 1994 and 1998. Qualifying annual sales are capped at $125,000 for individuals and up to $625,000 for corporations, cooperatives or communal organizations.

Approximately 90 per cent of Saskatchewan farmers enrolled in the NISA program would not have to apply. They would sign a declaration indicating that the NISA qualifying sales information was accurate. Only non-NISA participants and those who started farming in 1999 would have to submit an application.

Initial payments based on six per cent of producers' qualifying sales would be issued in April, with a final payment in August after all applications are received and processed.

1999 Unseeded Acreage Program

Program Type	Payable Claims	Payable Acres	Indemnity Paid
Crop Insurance	6,050	825,475	$20,636,875
Supplemental – Insured	6,050	985,704	$24,642,610
Supplemental – Non-insured	1,791	352,323	$ 8,808,075
TOTAL			**$54,087,560**

Technology

SCIC is committed to providing its customers with efficient service and improved ways of doing business. Advances in technology have allowed customers the freedom to pay bills at their own convenience, bank from home, and complete claims by phone or fax.

Direct Deposit

No longer do customers have to take the time to cash claim payments, it can be directly deposited to their bank accounts. Not only is this convenient for the customer but it eliminates the risk of lost or stolen cheques.

Telebanking

Many financial institutions now have a telebanking feature, providing banking options outside the standard business hours of nine-to-five. Producers can use this feature to pay SCIC premiums or outstanding accounts.

Ease of doing business: Toll-Free

SCIC uses toll-free lines, allowing customers to do business directly from their homes. With this service, claims can be registered, seeded acreage information filled out and production declarations can be submitted. Each customer service office has its own number; as well there is a separate line for head office. From April 1, 1999 to March 31, 2000 a total of 90,516 toll-free calls were received.

Global Positioning Systems (GPS)

GPS provides the corporation with a fast and accurate way of measuring acres. Measuring fields with GPS benefits both the corporation and the producer. A more exact measurement and claim calculation can result in stable premiums, and assist in the accurate calculation of seed, fertilizer and chemical needs.

Over 320,000 acres were measured using GPS in 1999-2000.

By June of 1999, a total of 13 Geographical Information Systems (GIS) workstations were set up in offices around the province to improve program analysis, claims management and resource management.

GIS is a computer application capable of assembling, storing and displaying geographically referenced information. Working with SaskGeomatics, Saskatchewan Research Council, Prairie Farmland Rehabilitation Administration (PFRA), Environment Canada, and Saskatchewan Environment and Resource Management (SERM) satellite imagery applications were developed for verifying land use and for identifying significant acreage discrepancies.

Internet

More people are using the Internet to gather information, do business and record data than ever before. SCIC developed a clear presence on the Internet with statistical and program related information.

In the fall of 1999, a more interactive approach was taken and the production declaration form was available for producers to fill out on-line and email back to head office. Over 400 declarations were received this way. It was apparent producers liked the luxury of filing the form electronically and new processes will be considered for 2000-2001 to satisfy our customer's need for convenience.

Year 2000

With the approach of the new millennium, SCIC began its final preparations regarding the Year 2000 Issue or Y2K Problem. SCIC thoroughly examined all systems, hardware and procedures that could be affected by the Year 2000 Problem. Upgrades and alternate planning processes were initiated ensuring that business would be conducted as usual.

The transition from December 31, 1999 to January 1, 2000 occurred without incident and there were no disruptions in service.

New Initiatives For The Future

SCIC realizes that agriculture is changing and that means producers are looking for different ways to manage their risks. Through consultation with producers, producer groups, university researchers and the general public, SCIC strives to make the crop insurance program better.

Presently crop insurance is researching new approaches to how coverages are determined, including:

- The relationship between summerfallow and stubble coverages and whether they should be retained in all parts of the province
- Whether the existing soil classes should continue to play as significant a factor in determining coverage or if soil concerns are compensated by other management factors
- Whether existing risk areas are appropriate
- Limitation of annual yield changes to lessen the effects of extreme yield losses

Reinsurance for the Crop Insurance Program

In 1999-2000, SCIC began investigating the possibility of private reinsurance. Reinsurance for the crop insurance program is currently provided by the federal and provincial governments under the provisions of the *Canada-Saskatchewan Crop Insurance Agreement*. The funds are only accessible after the current year's entire premium and any balance in the Crop Insurance Fund (CIF) has been used. The provincial reinsurance fund is responsible for losses beyond this point up to 25 per cent of the current year's liability. Further losses are allocated 75 per cent to the federal reinsurance fund and 25 per cent to the provincial fund; however, this agreement is only in place until the end of the 2001-2002 insurance year.

The New Crops Insurance Program (NCIP) is not part of the federal-provincial reinsurance program. Instead, a New Crops Insurance Account (NCIA) has been established as part of the Saskatchewan Agricultural Stabilization Fund, providing a backstop for losses in excess of premium under the NCIP. This account was established with initial contributions of $15 million from the federal government and $10 million from the provincial government. The current balance of the account is $27.2 million.

Entering into a reinsurance arrangement for the NCIP in 2000 would allow SCIC to develop a relationship with reinsurance firms that could prove useful if the corporation moved to private reinsurance for the CIF in the future. Some of the other potential advantages to private reinsurance for SCIC are:

- Currently the CIF balance of $255 million must be exhausted before the reinsurance funds can be accessed, if the balance were protected, the province could consider alternative investment strategies for the money
- The firms in this market operate in many countries and in various sectors of the economy, which means losses in one area are likely to be offset against the company's entire book of business. Under the existing reinsurance arrangement all losses ultimately have to be repaid through future premium costs
- Protection of the balance in the NCIP account, ensuring the program could continue into the future
- Demonstrates the province's commitment to the program and the agriculture industry
- The possibility for extending SCIC's spot-loss hail insurance to include an unsubsidized product in the future

The proposal to purchase reinsurance is a new issue requiring careful thought and planning, but it is one that SCIC felt should be investigated given the expiry date of the current reinsurance agreement with the governments. The approach has been to solicit quotes from reinsurance agencies and to make the initial contacts for reinsurance. The investigation and pilot project of securing private reinsurance will be processed from a business standpoint and SCIC will actively consult with reinsurance organizations and government to develop an approach to secure reinsurance.

Historical Information on Participation

Year	Seeded Acres	Insured Acres	% Insured of Seeded	Insured Producers	Total Premium	Liability	Indemnity	Indemnity/ Liability
1973	24,902,000	7,235,666	29%	23,909	$ 13,560,940	$ 140,436,128	$ 7,730,305	5.50%
1974	24,057,000	9,804,422	41%	31,411	$ 29,072,440	$ 288,263,532	$ 32,898,379	11.41%
1975	24,040,000	12,066,222	50%	38,209	$ 39,643,098	$ 405,089,832	$ 28,392,087	7.01%
1976	23,999,000	12,811,518	53%	39,143	$ 51,972,064	$ 542,207,973	$ 22,401,840	4.13%
1977	24,376,000	16,116,827	66%	47,156	$ 69,523,328	$ 704,688,894	$ 36,862,943	5.23%
1978	25,498,000	15,099,256	59%	43,032	$ 66,516,550	$ 708,193,202	$ 29,419,884	4.15%
1979	25,696,000	14,301,117	56%	40,154	$ 66,130,612	$ 721,821,633	$ 103,835,041	14.39%
1980	25,258,000	15,919,936	63%	42,850	$ 82,915,286	$ 935,838,614	$ 135,708,452	14.50%
1981	27,142,000	17,845,097	66%	46,259	$ 107,224,700	$ 1,162,172,942	$ 92,280,986	7.94%
1982	27,540,000	17,472,266	63%	44,469	$ 112,916,430	$ 1,233,908,814	$ 74,157,729	6.01%
1983	28,006,000	17,510,357	63%	43,000	$ 112,034,912	$ 1,254,906,517	$ 105,243,197	8.39%
1984	29,413,000	18,353,785	62%	43,443	$ 125,381,768	$ 1,345,493,742	$ 259,864,151	19.31%
1985	30,148,000	20,878,177	69%	46,894	$ 152,104,688	$ 1,558,492,595	$ 377,180,151	24.20%
1986	31,023,900	23,223,755	75%	48,952	$ 176,017,284	$ 1,778,772,508	$ 119,054,329	6.69%
1987	30,988,700	21,661,168	70%	46,492	$ 123,939,564	$ 1,161,135,578	$ 87,240,750	7.51%
1988	29,823,000	21,566,031	72%	45,721	$ 126,531,026	$ 1,159,096,010	$ 465,603,032	40.17%
1989	31,286,000	24,444,278	78%	49,267	$ 264,244,732	$ 1,942,011,401	$ 449,653,069	23.15%
1990	30,815,500	23,388,147	76%	46,523	$ 225,432,602	$ 1,713,501,461	$ 160,883,342	9.39%
1991	30,785,500	27,483,146	89%	51,466	$ 165,294,474	$ 1,478,891,201	$ 61,312,350	4.15%
1992	30,719,500	24,086,895	78%	49,466	$ 265,225,584	$ 1,706,956,497	$ 301,960,318	17.69%
1993	32,221,000	19,547,592	61%	45,752	$ 200,239,386	$ 1,269,698,961	$ 181,809,677	14.32%
1994	32,717,000	18,163,907	56%	43,107	$ 176,457,612	$ 1,249,853,183	$ 125,783,335	10.06%
1995	32,975,000	19,135,295	58%	40,904	$ 181,559,846	$ 1,355,607,448	$ 153,804,482	11.35%
1996	32,766,600	18,710,584	57%	38,099	$ 210,591,050	$ 1,619,069,926	$ 61,289,666	3.79%
1997	33,783,000	20,147,657	60%	36,030	$ 184,176,191	$ 1,574,353,395	$ 84,488,198	5.37%
1998	34,059,000	21,514,947	63%	35,336	$ 191,792,322	$ 1,610,578,015	$ 88,752,434	5.51%
1999	33,590,000	20,365,613	61%	33,216	$ 178,629,849	$ 1,583,626,327	$ 93,894,175	5.93%
Average (1973-1999)	**29,171,433**	**18,476,062**	**63%**	**42,232**	**$ 137,004,753**	**$ 1,192,765,420**	**$ 138,574,233**	**11.62%**

This information is for the grains program and the Spot-Loss Hail Option.
It does not include the Livestock Feed Insurance Program, or the 1999 Supplemental Unseeded Acreage Program.

Percentage of Acreage By Coverage Levels in 1999

*Crop	50% Coverage	60% Coverage	70% Coverage	80% Coverage	TOTAL
HARD RED SPRING WHEAT	13%	8%	63%	16%	6,389,210
DURUM WHEAT	13%	7%	68%	12%	2,491,826
BARLEY	26%	10%	52%	12%	2,080,288
OATS	32%	8%	48%	12%	536,855
FLAX	22%	9%	57%	12%	889,530
CANOLA	17%	8%	58%	17%	4,613,045
FALL RYE	28%	6%	53%	14%	47,853
SUNFLOWER	26%	9%	60%	4%	30,130
EXTRA STR SPRING WHEAT	21%	12%	52%	14%	136,885
FIELD PEAS	24%	12%	55%	9%	926,679
LENTILS	32%	15%	45%	7%	842,009
CANARY SEED	26%	13%	50%	11%	207,414
SOFT WHITE SPRING WHEAT	53%	0%	0%	47%	483
SPRING RYE	34%	0%	49%	16%	4,942
TRITICALE	35%	10%	47%	8%	19,513
WINTER WHEAT	35%	5%	54%	7%	48,789
FABABEANS	40%	0%	55%	5%	650
DRY BEANS	19%	12%	69%	0%	2,385
YELLOW MUSTARD	18%	9%	59%	14%	110,086
BROWN MUSTARD	21%	9%	60%	11%	116,944
ORIENTAL MUSTARD	29%	11%	53%	7%	166,757
CORIANDER	29%	10%	61%	0%	10,091
CARAWAY	24%	15%	61%	0%	4,406
CANADA PRAIRIE SPGWHT	23%	12%	52%	13%	394,336
DESI CHICKPEAS	29%	12%	59%	0%	128,917
KABULI CHICKPEAS	25%	9%	66%	0%	132,441
ALFALFA SEED	13%	13%	74%	0%	28,406
PROCESSING POTATO	0%	100%	0%	0%	79
SEED POTATO	16%	64%	20%	0%	2,061
SUNFLR-OTHER	28%	0%	44%	28%	2,603
Total Acres	**3,761,774**	**1,810,997**	**12,018,161**	**2,774,681**	**20,365,613**
Percentage of Total	**18.5%**	**8.9%**	**59.0%**	**13.6%**	**100.0%**
1998 Comparison	**18.1%**	**8.7%**	**58.0%**	**15.2%**	**21,514,947**

*Includes commercial, pedigreed and organic crops

Weighted Average Coverage Level:

1999 67%

1998 67%

1997 65%

Insured Acres By Crop

	Durum	Barley	Canola	Fall Rye	Mustard	Yellow Mustard	Field Peas	Lentils	Winter Wheat	Fababeans	Caraway	Canada Prairie Spring Wheat	Alfalfa Seed	Potatoes	Total	# of Contracts	Average**
1961-62		1,740													33,500	194	173
1962-63		18,400													226,200	1,337	169
1963-64		29,200													371,800	2,235	166
1964-65		25,800													463,500	2,357	197
1965-66		37,100													570,500	3,172	180
1966-67		143,000													1,346,200	6,989	193
1967-68		190,000													1,806,000	8,211	220
1968-69		214,000													2,991,000	12,343	242
1969-70		216,000													2,398,000	11,637	206
1970-71	137,400	262,500													1,003,800	9,083	111
1971-72	149,000	250,600													1,464,600	7,890	186
1972-73	385,088	362,166	146,301												2,589,182	11,844	219
1973-74	715,544	1,008,656	388,380	2,177											7,235,666	23,909	303
1974-75	1,360,053	1,507,827	545,896	14,054	68,880										9,804,422	31,411	312
1975-76	2,072,676	1,519,288	881,834	29,722	33,871										12,066,222	38,209	316
1976-77	1,870,193	1,389,155	328,818	49,101	17,950		3,287								12,811,518	39,143	327
1977-78	1,216,880	2,246,807	774,775	47,929	73,457		9,919								16,116,827	47,156	342
1978-79	2,266,101	1,631,337	1,415,738	83,014	73,363		9,814								15,099,256	43,032	351
1979-80	1,721,750	1,270,343	1,616,044	76,076	44,418		12,789	13,941							14,301,117	40,154	356
1980-81	2,147,814	1,795,748	1,085,158	89,389	110,742		17,569	43,400							15,919,936	42,850	372
1981-82	2,749,049	2,180,806	686,360	138,233	75,290		15,942	44,484							17,845,097	46,259	386
1982-83	2,237,746	2,049,734	757,199	147,036	49,725		26,530	63,902							17,472,266	44,469	393
1983-84	2,087,304	1,614,460	1,112,926	135,117	93,580		21,594	56,294							17,510,357	43,000	407
1984-85	2,561,121	1,823,475	1,770,049	105,569	164,691		28,907	76,035							18,353,785	43,433	423
1985-86	2,899,744	2,218,712	1,803,123	118,634	222,031		43,798	110,489							20,878,177	46,894	445
1986-87	3,172,596	2,394,632	1,665,883	187,634	271,288		102,565	218,964							23,223,755	48,952	474
1987-88	3,710,793	2,497,283	1,627,739	164,669	117,443		296,548	333,353							21,667,168	46,492	466
1988-89	3,880,322	2,090,117	2,586,023	138,679	247,822		235,656	185,095							21,566,031	45,721	472
1989-90	4,684,235	2,759,565.5	2,295,868	330,134	361,354		96,573	166,849							24,444,278	49,267	496
1990-91	3,580,820	2,372,150	2,065,296	227,450	361,373		75,248	199,668							23,388,147	46,523	503
1991-92	3,723,365	2,776,307	3,121,653	98,670	186,406		156,871	407,874							27,483,146	51,466	534
1992-93	2,485,801	2,166,076	2,735,548	57,084	205,996		221,185	319,646							24,086,895	49,466	487
1993-94	1,942,853	1,738,413	3,305,427	77,362	233,671		355,351	439,630							19,547,592	45,752	427
1994-95	2,785,708	1,408,404	4,508,878	56,879	386,635		570,038	496,761							18,163,907	43,107	421
1995-96	2,825,626	1,789,833	4,285,004	46,860	288,527		740,427	468,360							19,135,295	40,904	468
1996-97	2,708,185	1,986,217	2,670,161	34,136	246,407		472,253	374,975							18,710,584	38,099	491
1997-98	3,066,501	2,069,626	3,807,223	40,008	309,005		872,473	487,774							20,147,657	36,030	559
1998-99	4,322,155	2,079,545	4,377,810	68,755	348,309		1,164,713	587,490							21,514,947	35,336	609
1999-00	2,491,826	2,080,288	4,613,045	47,853	110,086		926,679	842,009							20,365,613	33,216	613
									2,887	152		53,817		1,577			
									264,277	370		326,653		619			
									130,624	1,177		551,764		431			
									1,166	2,010		564,436		1,141			
									68,391	416,257		329,938		703			
									23,570	602,306		404,611		898			
									14,694	4,387		579,749		3,847			
									15,838	12,370		796,755					
									10,227	51,912		595,423	23,870	8,278			
									20,426	575		394,336	28,406				
									41,669	3,117	4,406						
									47,042	3,268							
									55,087	1,532							
									48,789	298							
										290							
										130							
										310							
										527							
										650							

1991-92, 1992-93, 1993-94 and 1994-95 information is for Crop Insurance only and the crop insurance portion of GRIP. * Sunflower includes sunwheat and sunola

**Average (acres per contract) does not include LFIP contracts

Statistics

Insured Acres By Crop

	Wheat	Hard Red Spring Wheat	Durum	Barley	Oats	Flax	Canola	Fall Rye	*Sun Flowers	Extra Strong Red Spring Wheat	Mustard	Yellow Mustard	Brown Mustard	Oriental Mustard	Field Peas	Lentils	Canary Seed	Soft White Spring Wheat	Spring Rye	Triti-cale	Winter Wheat	Faba-beans	Dry Beans	Coriander	Caraway	Canada Prairie Spring Wheat	Desi chickpea	Kabuli Chickpea	Alfalfa Seed	Potatoes	Processing Potato	Seed Potato	Total	# of Contracts	**Average
1961-62	28,600			1,740	3,160																												33,500	194	173
1962-63	180,000			18,400	27,800																												226,200	1,337	169
1963-64	304,600			29,200	38,000																												371,800	2,235	166
1964-65	414,700			25,800	23,000																												463,500	2,357	197
1965-66	512,200			37,100	21,200																												570,500	3,172	180
1966-67	1,182,600			143,000	20,600																												1,346,200	6,969	193
1967-68	1,593,000			190,000	23,000																												1,806,000	8,211	220
1968-69	2,742,000			214,000	35,000																												2,991,000	12,343	242
1969-70	2,145,000			216,000	37,000																												2,398,000	11,617	206
1970-71		579,500	137,400	262,500	24,400																												1,003,800	9,093	111
1971-72		1,040,800	149,000	250,600	24,800																												1,464,600	7,890	186
1972-73		1,613,505	385,088	362,166	40,855	41,267	146,301																										2,589,182	11,844	219
1973-74		4,731,716	715,544	1,008,656	234,891	153,252	388,380	2,177	1,050																								7,235,666	23,909	303
1974-75		5,615,440	1,360,053	1,507,827	430,933	218,854	545,896	14,054	190	42,295	68,880																						9,804,422	31,411	312
1975-76		6,673,045	2,072,676	1,519,288	539,950	227,902	881,834	29,722	829	67,105	33,871																						12,066,222	38,209	316
1976-77		8,452,752	1,870,193	1,389,155	549,122	90,225	328,818	49,101	570	60,345	17,950				3,287																		12,811,518	39,143	327
1977-78		10,367,504	1,216,880	2,246,807	746,651	365,647	774,775	47,929	2,291	264,967	73,457				9,919																		16,116,827	47,156	342
1978-79		8,692,868	2,266,101	1,631,337	476,210	221,894	1,415,738	83,014	2,004	226,913	73,363				9,814																		15,099,256	43,032	351
1979-80		8,706,489	1,721,750	1,270,343	361,241	386,197	1,616,044	76,076	4,128	58,068	44,418				12,789	13,941	24,075																	14,301,117	40,154	356
1980-81		9,783,115	2,147,814	1,795,748	480,810	247,139	1,085,158	89,389	10,632	44,046	110,742				17,569	43,400	50,881																	15,919,936	42,850	372
1981-82		11,097,416	2,749,049	2,180,806	546,035	210,676	686,360	138,233	4,791	37,515	75,290				15,942	44,484	39,962																	17,845,097	46,259	386
1982-83		11,250,517	2,237,746	2,049,734	461,074	275,290	757,199	147,036	3,601	34,773	49,725				26,530	63,902	89,761																	17,472,266	44,469	393
1983-84		11,854,822	2,087,304	1,614,460	326,370	123,665	1,112,926	135,117	1,306	25,787	93,580				21,594	56,294	47,883																	17,510,357	43,000	407
1984-85		10,931,701	2,561,121	1,823,475	376,268	372,201	1,770,049	105,569	5,095	58,823	164,691				28,907	76,035	67,907																	18,353,785	43,433	422
1985-86		11,853,170	2,899,744	2,218,712	469,229	430,229	1,803,123	118,634	6,103	167,936	222,031				43,798	110,489	84,892	9,329																20,878,177	46,894	445
1986-87		13,298,153	3,172,596	2,394,632	468090	501,806	1,665,883	187,634	6,493	156,036	271,288				102,565	218,964	131,153	11,301																23,223,755	48,952	474
1987-88		11,674,712	3,710,793	2,497,283	456,691	351,599	1,627,739	164,669	11,334	59,578	117,443				206,548	333,353	158,996	4,468																21,667,168	46,492	466
1988-89		10,840,175	3,880,322	2,090,117	628,814	312,559	2,586,023	138,679	10,529	58,419	247,822				235,656	185,085	183,337	2,262																21,566,031	45,723	472
1989-90		12,070,774.5	4,684,235	2,759,565.5	758,462	533,851	2,295,868	330,134	10,019	58,177	361,354				96,573	166,849	244,304	2,043																24,444,278	49,267	496
1990-91		12,962,716	3,580,820	2,372,150	444,078	655,579	2,065,296	227,450	8,102	44,891	361,373				75,248	199,668	243,712	2,972																23,388,147	36,523	503
1991-92		15,512,081	3,723,365	2,776,307	382,028	483,221	3,121,653	98,670	16,917	24,921	186,406				156,871	407,874	207,718	6,445																27,483,146	51,366	534
1992-93		14,453,469	2,485,801	2,166,076	419,373	206,509	2,735,548	57,084	9,439	22,908	205,996				221,185	319,646	183,367	4,350																24,086,895	49,366	487
1993-94		9,724,157	1,942,853	1,738,413	366,814	409,525	3,305,427	77,362	20,748	124,147	233,671				355,351	439,630	201,562	1,149																19,547,592	45,752	427
1994-95		6,315,045	2,785,708	1,408,404	318,456	563,646	4,508,878	56,879	16,140	98,647	386,635				570,038	496,761	276,513	0																18,163,967	43,107	421
1995-96		6,868,737	2,825,626	1,789,833	256,052	759,514	4,285,004	46,860	11,515	147,124	288,527				740,427	468,360	209,954	80																19,135,295	40,964	468
1996-97		8,213,055	2,708,185	1,986,217	433,415	435,399	2,670,161	34,136	6,683	214,413	246,407				472,253	374,975	281,035	549																18,710,584	39,099	491
1997-98		6,963,500	3,066,501	2,069,626	479,432	792,865	3,807,223	40,008	16,608	215,154	309,005				872,473	487,774	165,433	357																20,147,657	36,030	559
1998-99		5,603,875	4,322,155	2,079,545	706,099	991,327	4,377,810	68,755	20,402	177,123	348,309				1,164,713	587,490	290,581	260																21,514,947	35,336	609
1999-00		6,389,210	2,491,826	2,080,288	536,855	899,530	4,613,045	47,853	32,733	136,085		110,086	116,944	166,757	926,679	842,009	207,414	483															20,965,613	33,216	631
																			4,858															
																			13,493															
																			18,022		152													
																			25,008		370													
																			8,072		1,177													
																			9,133		2,010													
																				23,484	416,257	1,017												
																				29,369	2,887	602,306	2,599											
																			15,219	2,079	264,277	4,387												
																			20,727	1,711	130,624	12,370												
																				18,008	1,166	51,912	983											
																			15,828	5,115	68,391	575	366		53,817									
																			18,445	5,097	23,570	3,117	210		326,653				1,577				
																			17,793	7,802	14,694	3,268	204		551,764				619				
																			12,924	11,414	15,838	1,532	208		564,436				431				
																			12,929	7,152	10,227	298	472		329,938				1,141				
																			4,510	5,785	20,426	290	1,357		404,611				703				
																			4,306	5,465	41,669	130	1,484		579,749				898				
																			5,762	7,384	47,042	310	1,558		796,755				3,847				
																			8,520	18,794	55,087	527	2,393		595,423	29,647	33,964	23,870	8,278				
																			4,942	19,513	48,789	650	2,385	10,091	4,406	394,336	128,917	132,441	28,406		79	2,061		

1991-92, 1992-93, 1993-94 and 1994-95 information is for Crop Insurance only and the crop insurance portion of GRIP.

* Sunflower includes sunwheat and sunola

**Average (acres per contract) does not include LFIP contracts

Grains Program - Customers, Liability & Premium & Indemnity Statistics

Year	Number of Customers	Liability	Average Customer Liability	Customer's Net Premium	Total Net Premium
1961-62	194	$ 306,500	$ 1,580	$ 23,925	$ 29,906
1962-63	1,337	$ 2,319,000	$ 1,734	$ 171,284	$ 214,105
1963-64	2,235	$ 3,683,000	$ 1,648	$ 275,645	$ 344,556
1964-65	2,357	$ 4,088,000	$ 1,735	$ 278,926	$ 348,658
1965-66	3,172	$ 4,566,000	$ 1,440	$ 290,708	$ 363,385
1966-67	6,989	$ 12,125,000	$ 1,734	$ 743,154	$ 928,943
1967-68	8,211	$ 15,910,000	$ 1,938	$ 941,146	$ 1,176,433
1968-69	12,343	$ 27,165,000	$ 2,201	$ 1,719,898	$ 2,149,873
1969-70	11,637	$ 21,194,000	$ 1,821	$ 1,320,748	$ 1,650,935
1970-71	9,083	$ 9,039,200	$ 995	$ 567,835	$ 709,794
1971-72	7,890	$ 14,625,000	$ 1,854	$ 782,908	$ 978,635
1972-73	11,844	$ 29,840,005	$ 2,519	$ 1,821,463	$ 2,276,829
1973-74	23,909	$ 140,436,128	$ 5,874	$ 6,780,470	$ 13,688,272
1974-75	31,411	$ 288,263,532	$ 9,177	$ 14,536,220	$ 30,098,459
1975-76	38,209	$ 405,089,832	$ 10,604	$ 19,821,549	$ 41,041,161
1976-77	39,143	$ 542,207,973	$ 13,852	$ 25,986,032	$ 53,637,408
1977-78	47,156	$ 704,688,894	$ 14,944	$ 34,761,664	$ 71,887,589
1978-79	43,032	$ 708,193,202	$ 16,457	$ 33,258,275	$ 66,472,426
1979-80	40,154	$ 721,821,633	$ 17,976	$ 33,065,306	$ 66,055,718
1980-81	42,850	$ 935,838,614	$ 21,840	$ 41,457,643	$ 82,546,598
1981-82	46,259	$1,162,172,942	$ 25,123	$ 53,612,350	$106,100,031
1982-83	44,469	$1,233,908,814	$ 27,748	$ 56,458,215	$112,003,208
1983-84	43,000	$1,254,906,517	$ 29,184	$ 56,017,456	$111,588,185
1984-85	43,443	$1,345,493,742	$ 30,971	$ 62,690,884	$123,439,542
1985-86	46,894	$1,558,492,595	$ 33,234	$ 76,052,344	$151,943,200
1986-87	48,952	$1,778,772,508	$ 36,337	$ 88,008,642	$170,010,965
1987-88	46,492	$1,161,135,578	$ 24,975	$ 61,969,782	$120,935,244
1988-89	45,721	$1,159,096,010	$ 25,352	$ 63,265,513	$121,599,339
1989-90	49,267	$1,942,011,401	$ 39,418	$132,122,366	$238,801,161
1990-91	46,523	$1,713,501,461	$ 36,831	$112,716,301	$207,182,201
1991-92	51,466	$1,478,891,201	$ 28,735	$ 82,647,237	$145,600,110
1992-93	49,466	$1,706,956,497	$ 34,508	$111,510,843	$223,159,109
1993-94	45,752	$1,269,698,961	$ 27,752	$100,119,693	$199,319,998
1994-95	43,107	$1,249,853,183	$ 28,994	$ 88,228,806	$161,006,675
1995-96	40,904	$1,355,607,448	$ 33,141	$ 80,561,270	$157,205,530
1996-97	38,099	$1,619,069,926	$ 42,496	$ 86,722,633	$173,445,266
1997-98	36,030	$1,574,353,395	$ 43,696	$ 56,567,834	$141,930,893
1998-99	35,336	$1,610,578,015	$ 45,579	$ 53,926,962	$149,706,545
1999-00	33,216	$1,583,626,327	$ 47,677	$ 48,739,931	$136,382,054

Premium includes premiums from producers and premium contributions by the Governments of Canada and Saskatchewan.

This does not include the Livestock Feed Insurance Program or the Spot-Loss Hail Option.

1991-1992, 1992-93, 1993-94 and 1994-95 information is for crop insurance only and the crop insurance portion of GRIP.

Average Customer Premium	Average Customer Rate (%)	Number of Indemnities Paid	Indemnity Amount	Loss to Premium Ratio (By Year)	Loss to Premium Ratio (Accumulated)
$ 123	7.8	169	$ 129,669	4.34	4.34
$ 128	7.4	147	$ 61,651	0.29	0.78
$ 123	7.5	38	$ 9,285	0.03	0.34
$ 118	6.8	240	$ 137,926	0.40	0.36
$ 92	6.4	301	$ 123,304	0.34	0.36
$ 106	6.1	161	$ 107,978	0.12	0.26
$ 115	5.9	887	$ 497,118	0.42	0.31
$ 139	6.3	1,683	$ 1,607,853	0.75	0.48
$ 113	6.2	553	$ 385,787	0.23	0.42
$ 63	6.3	213	$ 104,338	0.15	0.40
$ 99	5.4	206	$ 142,930	0.15	0.37
$ 154	6.1	1,654	$ 1,262,763	0.55	0.41
$ 284	4.8	8,484	$ 7,730,305	0.56	0.49
$ 463	5.0	23,505	$ 32,898,379	1.09	0.82
$ 506	4.9	24,444	$ 28,392,087	0.69	0.77
$ 664	4.8	15,092	$ 22,401,840	0.42	0.64
$ 736	4.9	21,915	$ 36,862,943	0.51	0.60
$ 773	4.7	17,389	$ 29,419,884	0.44	0.56
$ 824	4.6	39,050	$ 103,835,041	1.57	0.75
$ 968	4.4	35,907	$ 135,708,452	1.64	0.92
$ 1,159	4.6	29,167	$ 92,280,986	0.87	0.91
$ 1,270	4.6	23,967	$ 74,157,729	0.66	0.87
$ 1,303	4.5	26,804	$ 105,243,197	0.94	0.88
$ 1,443	4.7	51,853	$ 259,864,151	2.11	1.05
$ 1,622	4.9	57,693	$ 377,180,151	2.48	1.26
$ 1,798	4.9	29,161	$ 119,054,329	0.70	1.18
$ 1,333	5.3	25,547	$ 87,240,750	0.72	1.14
$ 1,384	5.5	74,987	$ 465,603,032	3.83	1.36
$ 2,682	6.8	57,064	$ 449,653,069	1.88	1.44
$ 2,423	6.6	36,538	$ 160,883,342	0.78	1.36
$ 1,606	5.6	23,252	$ 61,312,350	0.42	1.30
$ 2,254	6.5	39,627	$ 301,960,318	1.35	1.30
$ 2,188	7.9	27,385	$ 181,809,677	0.91	1.27
$ 2,047	7.1	17,924	$ 85,885,782	0.53	1.23
$ 1,970	5.9	21,525	$ 101,304,721	0.64	1.19
$ 2,276	5.4	7,541	$ 32,314,824	0.19	1.13
$ 1,570	3.6	12,152	$ 51,803,785	0.36	1.10
$ 1,526	3.3	15,452	$ 66,708,908	0.45	1.07
$ 1,467	3.1	14,781	$ 65,091,360	0.48	1.05

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Responsibility for Financial Statements

The financial statements of the Saskatchewan Crop Insurance Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The Corporation's management is responsible for the reliability and integrity of these financial statements and other information in this Annual Report. Other financial information in the Annual Report is consistent with that provided in these financial statements.

To provide for the reliability and integrity of the financial statements, the Corporation's accounting system and systems of internal control are maintained to provide reasonable assurance that transactions are properly authorized and recorded and that assets are properly safeguarded.

The Corporation's external auditor has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements. The Board of Directors of the Saskatchewan Crop Insurance Corporation has reviewed and approved these financial statements.

Doug Matthies
General Manager

Lorne Warnes
Executive Manager of Finance and Administration

May 24, 2000

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 2000 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 24, 2000

March 31, 2000 with comparative figures for 1999

	2000	1999 (Restated note 3)
Assets		
Investments (note 5)	$ 3,298,071	$ 6,394,268
Due from the Province of Saskatchewan General Revenue Fund (note 4)	219,224,121	166,407,159
Accrued interest and other receivables	2,829,100	2,263,894
Premium and other program receivables	35,813,574	19,300,698
Due from Crop Reinsurance Fund of Canada for Saskatchewan	436,137	436,137
Prepaid expenses	50,104	42,885
Capital assets (note 6)	3,796,115	3,455,220
	$ 265,447,222	$ 198,300,261
Liabilities and Net Assets		
Bank overdraft	$ 614,674	$ 164,699
Accounts payable and accrued liabilities	3,217,053	2,907,442
Estimated indemnities payable	26,578	412,870
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	2,138,365	2,255,442
Deferred administration revenue (note 7)	3,796,115	7,453,106
	9,792,785	13,193,559
Net assets	255,654,437	185,106,702
	$ 265,447,222	$ 198,300,261

Commitments and contingencies (note 9).
See accompanying notes to financial statements.

On behalf of the Board:

Chairperson

Vice-Chairperson

Year Ended March 31, 2000 with comparative figures for 1999

	2000	1999 (Restated note 3)
Revenue		
Premium contributions:		
Producers	$ 70,626,404	$ 76,152,875
Government of Saskatchewan	55,375,052	58,004,547
Government of Canada	55,375,052	58,004,547
	181,376,508	192,161,969
Less reinsurance premiums ceded:		
Crop Reinsurance Fund of Canada for Saskatchewan	12,552,394	17,541,505
Crop Reinsurance Fund of Saskatchewan (note 1)	14,140,460	20,590,252
	26,692,854	38,131,757
Net premiums	154,683,654	154,030,212
Unseeded Acreage Supplementary Program grants (note 10)	24,642,610	—
Interest income	10,718,649	10,319,764
	190,044,913	164,349,976
Expenses		
Indemnities	94,699,675	91,747,709
Unseeded Acreage Supplementary Program payments (note 10)	24,642,610	—
Bad debts	154,893	3,262,119
	119,497,178	95,009,828
Excess of revenue over expenses from insurance operations, before administration revenue and expenses	70,547,735	69,340,148
Administration revenue		
Province of Saskatchewan operating grant (note 7)	23,221,316	23,620,679
Other administration revenue	597,735	693,398
	23,819,051	24,314,077
Administration expenses (Schedule 1)	23,819,051	24,314,077
Excess of revenue over expenses	70,547,735	69,340,148
Net assets, beginning of year	185,106,702	115,766,554
Net assets, end of year	$ 255,654,437	$ 185,106,702

See accompanying notes to financial statements.

Year Ended March 31, 2000 with comparative figures for 1999

	2000	1999 (Restated note 3)
Cash Provided by (Used In):		
Operating Activities:		
Excess of revenue over expenses	$ 70,547,735	$ 69,340,148
Item not affecting cash:		
Amortization	1,524,946	1,398,140
Change in non-cash operating items:		
Accrued interest and other receivables	(565,206)	(779,217)
Premium and other program receivables	(16,512,876)	863,154
Prepaid expenses	(7,219)	(42,885)
Accounts payable and accrued liabilities	309,611	635,002
Estimated indemnities payable	(386,292)	129,111
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	(117,077)	(35,471,696)
Due to Crop Reinsurance Fund of Saskatchewan	—	(18,640,283)
Deferred administration revenue	(3,656,991)	(121,323)
	51,136,631	17,310,151
Investment Activities:		
Purchase of capital assets	(1,865,841)	(1,276,817)
Increase in cash and cash equivalents	49,270,790	16,033,334
Cash and cash equivalents, beginning of year	172,636,728	156,603,394
Cash and cash equivalents, end of year	$ 221,907,518	$ 172,636,728
Represented by:		
Bank overdraft	$ (614,674)	$ (164,699)
Investments	3,298,071	6,394,268
Due from Province of Saskatchewan General Revenue Fund	219,224,121	166,407,159
	$ 221,907,518	$ 172,636,728

See accompanying notes to financial statements.

Schedule 1

Year Ended March 31, 2000 with comparative figures for 1999

	2000	1999
Advertising	$ 572,314	$ 660,730
Amortization	1,524,946	1,398,140
Appeal Panel and Board of Directors meetings	133,140	84,798
Collection fees	271,319	597,720
Computer	1,235,412	1,336,825
Office rental	948,691	918,653
Office supplies and duplicating	395,909	451,755
Other	341,178	296,714
Postage	329,164	376,806
Professional fees	561,139	846,301
Salaries and benefits	14,069,714	14,009,270
Telephone	405,261	445,634
Travel and sustenance	3,030,864	2,890,731
	$ 23,819,051	$ 24,314,077

See accompanying notes to financial statements.

Saskatchewan Crop Insurance Corporation
March 31, 2000

1. Status of the corporation:

The Saskatchewan Crop Insurance Corporation (the Corporation), a provincial Crown Corporation, was established under *The Crown Corporations Act* and continued under *The Crop Insurance Act.*

The Corporation administers the federal/provincial Crop Insurance program. In addition, on behalf of the Saskatchewan Agricultural Stabilization Fund, the Corporation administers the Waterfowl Damage Compensation, New Crops Insurance, Big Game Damage Compensation, Unseeded Acreage Benefit and Canada-Saskatchewan Adjustment accounts. The financial results of the Saskatchewan Agricultural Stabilization Fund are reported separately.

The Canada-Saskatchewan Crop Insurance Agreement requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the Corporation and, under certain circumstances, pay reinsurance benefits to the Corporation.

The Crop Reinsurance Fund of Saskatchewan is administered by the Corporation. The operations, assets and liabilities of this reinsurance fund are shown in separate financial statements as required by the Canada-Saskatchewan Crop Insurance Agreement.

As a crown entity, the Corporation is not subject to federal or provincial income tax, or federal goods and services tax.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital assets:
Capital assets are capitalized and amortized over their useful lives. They are recorded on the balance sheet at their net book value.

Amortization is charged against operations, and is provided on a straight line basis over the estimated useful lives of the assets with half the normal amortization taken in the year of purchase. The rates of amortization are:

Equipment	20%
Computer equipment	20%
Leasehold improvements	20%

Cash and cash equivalents:
Cash and cash equivalents consist of bank overdraft, short-term investments with a maturity of 90 days or less and the Corporation's insurance fund bank account which is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 4).

Investments:
Investments are recorded at cost less any writedown required to reflect a permanent impairment in value.

Premium revenue recognition:

Crop insurance is a cost-shared program. Premium payments, for each of the last two years, are cost-shared as follows:

	Producers %	Federal Gov't. %	Provincial Gov't. %
Base (50%) coverage	20	40	40
Buy-up (60-80%) coverage	50	25	25

Premiums, including the producer and federal and provincial governments' shares, are recognized as income when invoiced to producers.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Change in accounting policy:

During the current year the Corporation changed the way in which the net operating grant from the Province of Saskatchewan is reflected in its financial statements, such that any unexpended funds are shown as deferred administration revenue. Previously this grant was taken into income in the year received and any amounts not spent on administration expenses were reflected as an administration fund balance.

The net impact of this change is that the administration fund balance at March 31, 1999 of $7,453,106 has been reclassified as deferred administration revenue. In addition, excess of revenue for the year ended March 31, 1999 has been increased by $121,323.

4. Due from Province of Saskatchewan General Revenue Fund:

The Corporation's insurance bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the Corporation's average daily account balance. Interest is paid by the Province of Saskatchewan General Revenue Fund to the Corporation on a quarterly basis.

5. Investments:

The Corporation's investments are in term deposits maturing April 3 and April 6, 2000, with effective interest rates of 5.25% and 5.30% respectively (1999-April 1, 1999, 5.08%).

6. Capital assets:

	Cost	Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Equipment	$ 2,215,522	$ 1,490,997	$ 724,525	$ 336,667
Leasehold improvements	518,350	94,166	424,184	190,490
Computer equipment	13,078,618	10,431,212	2,647,406	2,928,063
	$15,812,490	$12,016,375	$3,796,115	$3,455,220

7. Deferred administration revenue:

Under the terms of federal-provincial agreements, eligible administration revenue and expenses are shared on a 50%-50% basis. Government of Canada contributions are paid to the Government of the Province of Saskatchewan General Revenue Fund, which remits them to the Corporation.

To the extent this funding was not required to pay administration fund expenses of the current year it has been deferred and shown as deferred administration revenue.

Details of administration funding received and recorded as revenue is as follows:

	2000	1999
Deferred administration revenue, Beginning of year	$ 7,453,106	$ 7,574,429
Province of Saskatchewan General Revenue Fund net operating grant Received	19,950,000	23,526,000
Net operating grant recorded as Revenue	(23,221,316)	(23,620,679)
Repayment of current years' net Operating grant	(385,675)	(26,644)
Deferred administration revenue, End of year	$ 3,796,115	$ 7,453,106

The deferred administration revenue balance represents the unamortized portion of capital assets. This balance at March 31, 1999 also includes the excess of the province's net operating grant over capital assets purchased and administration expenses, excluding amortization, accumulated up to March 31, 1998. This accumulation was depleted in the current year.

8. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, departments and agencies related to the Corporation by virtue of common control exercised by the Government of the Province of Saskatchewan.

In addition, one of the Corporation's directors is a partner in an organization which provided professional services to the corporation. During the current year these services amounted to $226,296 (1999-$338,917).

Routine operating transactions with related parties are measured at prevailing market prices under normal trade terms. These financial statements include the following balances from and transactions with related parties:

	2000	1999
Accounts payable	$ 739,525	$ 717,727
Net general administration	4,474,880	4,430,665

Other related party transactions are disclosed elsewhere in these financial statements.

9. Commitments and contingencies:

Commitments:

The Corporation is committed to the Saskatchewan Property Management Corporation, a related crown entity, for several leases for office space with annual payments of $947,082. The leases are currently renewable on an annual basis.

Contingencies:

Pursuant to the *The Canada-Saskatchewan Crop Insurance Agreement*, in the event the agreement is terminated and no new agreement is entered into, all capital assets funded by the agreement shall be disposed of and the proceeds shall be shared equally by the Government of the Province of Saskatchewan and the Government of Canada. As of March 31, 2000, all capital assets owned by the Corporation had been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the Corporation. Presently, the Corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the Corporation's financial position.

10. Supplemental Unseeded Acreage Benefit:

A $25.00 per acre payment was provided to crop insurance participants who were unable to seed, at least 95% of their normal seeded acres, on or before June 20, 1999 due to excessive moisture. The benefit, delivered under the authority of *The Canada-Saskatchewan Crop Insurance Agreement*, was cost-shared as follows:

Government of Saskatchewan	$ 9,857,044
Government of Canada	14,785,566
Total benefits paid	$24,642,610

11. Fair value of financial assets and financial liabilities:

The carrying amounts of the following financial assets and financial liabilities approximate fair value due to their short term nature:

- Investments
- Due from the Province of Saskatchewan General Revenue Fund
- Accrued interest and other receivables
- Premium and other program receivables
- Due to/from the reinsurance funds
- Bank overdraft
- Accounts payable and accrued liabilities
- Estimated indemnities payable

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 2000 and the statement of operations and fund surplus for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 24, 2000

Balance Sheet

March 31, 2000 with comparative figures for 1999

	2000	1999
Assets		
Due from Province of Saskatchewan General Revenue Fund (note 3)	$ 88,959,768	$ 74,702,231
Reinsurance premium receivable from Saskatchewan Crop Insurance Corporation	2,138,365	2,255,442
	$ 91,098,133	$ 76,957,673
Fund Surplus	$ 91,098,133	$ 76,957,673

See accompanying notes to financial statements.

On behalf of the Board:

Chairperson

Vice-Chairperson

Statement of Operations and Fund Surplus

Year ended March 31, 2000 with comparative figures for 1999

	2000	1999
Revenue		
Premium ceded from the Saskatchewan Crop Insurance Corporation	$ 14,140,460	$ 20,590,252
Fund surplus, beginning of year	76,957,673	56,367,421
Fund surplus, end of year	$ 91,098,133	$ 76,957,673

See accompanying notes to financial statements.

Crop Reinsurance Fund of Saskatchewan
March 31, 2000

1. Status of the fund:

The Canada-Saskatchewan Crop Insurance Agreement between the Government of the Province of Saskatchewan and the Government of Canada provides for the establishment of two reinsurance funds:

a) The Crop Reinsurance Fund of Saskatchewan which is administered by the Government of the Province of Saskatchewan, and
b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

2. Significant accounting policies:

Premium ceded from the Saskatchewan Crop Insurance Corporation:
Under the terms of the agreement referred to in note 1, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

Liability for claim payments from the reinsurance funds:
Under the terms of the agreement referred to in note 1, payments were made out of the reinsurance funds if indemnities which were required to be paid in an insurance year exceeded the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded, and
b) the net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments were required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan or the Government of the Province of Saskatchewan General Revenue Fund was responsible firstly for an amount not exceeding 2 1/2% of the total liability under policies in force in the insurance year.

The balance of indemnities to be paid were shared 75% by Canada and 25% by Saskatchewan out of the respective reinsurance funds, excepting that Saskatchewan was not responsible for any amounts described in the preceding paragraph if its reinsurance deficit exceeded 16 2/3% of the total liability under policies of insurance in force in that year.

Use of estimates:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest earned on these funds is not allocated to the Crop Reinsurance Fund.

4. Statement of cash flows:

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

5. Fair value of financial assets:

The carrying amounts of the following financial assets and liabilities approximate fair value due to their short term nature:

- Due from the Province of Saskatchewan General Revenue Fund
- Reinsurance premium receivable from the Saskatchewan Crop Insurance Corporation

Customer Service Offices

Assiniboia CSO
Box 340, 401-1st Ave. W.
Assiniboia, SK S0H 0B0
Phone: (306) 642-7235
Fax: (306) 642-7229
Toll-free: 1-888-935-0008

Balgonie CSO
Box 70, 125 S. Railway
Balgonie, SK S0G 0E0
Phone: (306) 771-4173
Fax: (306) 771-2258
Toll-free: 1-888-935-0001

Davidson CSO
Box 339, 103 Lincoln St.
Davidson, SK S0G 1A0
Phone: (306) 567-4401
Fax: (306) 567-4408
Toll-free: 1-888-935-0020

Estevan CSO
1106-6th St.
Estevan, SK S4A 1A8
Phone: (306) 637-4500
Fax: (306) 637-4609
Toll-free: 1-888-935-0002

Humboldt CSO
Box 660, 311 Main St.
Humboldt, SK S0K 2A0
Phone: (306) 682-6710
Fax: (306) 682-6776
Toll-free: 1-888-935-0026

Kindersley CSO
Box 1540, 125-1st Ave. E.
Kindersley, SK S0L 1S0
Phone: (306) 463-5462
Fax: (306) 463-5469
Toll-free: 1-888-935-0021

Leader CSO
Box 387, #5-111 Ave. W.
Leader, SK S0N 1H0
Phone: (306) 628-3109
Fax: (306) 628-3107
Toll-free: 1-888-935-0011

Moose Jaw CSO
45 Thatcher Dr. E.
Moose Jaw, SK S6H 6V2
Phone: (306) 694-3613
Fax: (306) 694-3811
Toll-free: 1-888-935-0012

Moosomin CSO
Box 889, 806 Broadway Ave.
Moosomin, SK S0G 3N0
Phone: (306) 435-4535
Fax: (306) 435-4529
Toll-free: 1-888-935-0005

North Battleford CSO
509 Pioneer Ave.
North Battleford, SK S9A 1E9
Phone: (306) 446-7411
Fax: (306) 446-7489
Toll-free: 1-888-935-0028

Preeceville CSO
Box 800, 239 Hwy. Ave. E.
Preeceville, SK S0A 3B0
Phone: (306) 547-5650
Fax: (306) 547-5655
Toll-free: 1-888-935-0015

Prince Albert CSO
800 Central Ave.
Prince Albert, SK S6V 6V1
Phone: (306) 953-2781
Fax: (306) 953-2285
Toll-free: 1-888-935-0032

Raymore CSO
Box 178, 117 Main St.
Raymore, SK S0A 3J0
Phone: (306) 746-6252
Fax: (306) 746-6260
Toll-free: 1-888-935-0016

Rosetown CSO
Box 1000, 615 Hwy. #4
Rosetown, SK S0L 2V0
Phone: (306) 882-5450
Fax: (306) 882-5458
Toll-free: 1-888-935-0019

Saskatoon CSO
3735 Thatcher Ave.
Saskatoon, SK S7K 2H6
Phone: (306) 933-5101
Fax: (306) 933-5220
Toll-free: 1-888-935-0024

Shaunavon CSO
Box 1210, 55-3rd Ave. E.
Shaunavon, SK S0N 2M0
Phone: (306) 297-5480
Fax: (306) 297-5455
Toll-free: 1-888-935-0010

Swift Current CSO
Hillside Plaza
Box 5000
1-1081 Central Ave. N.
Swift Current, SK S9H 4G3
Phone: (306) 778-8315
Fax: (306) 778-8604
Toll-free: 1-888-935-0007

Tisdale CSO
Box 310, 1105-99th St.
Tisdale, SK S0F 1T0
Phone: (306) 878-8860
Fax: (306) 878-8856
Toll-free: 1-888-935-0025

Turtleford CSO
Box 400, 217A Main St.
Turtleford, SK S0M 2Y0
Phone: (306) 845-4501
Fax: (306) 845-4505
Toll-free: 1-888-935-0030

Weyburn CSO
Box 2003, 110 Souris Ave. N.E.
Weyburn, SK S4H 2Z9
Phone: (306) 848-2300
Fax: (306) 848-2454
Toll-free: 1-888-935-0003

Yorkton CSO
38-5th Ave. N.
Yorkton, SK S3N 0Y8
Phone: (306) 786-1375
Fax: (306) 786-1676
Toll-free: 1-888-935-0013

CUSTOMER SERVICE
OFFICE HOURS:
8:00 a.m. to 5:00 p.m.
(closed noon hour)
Closed weekends &
statutory holidays.

WEBSITE:
www.agr.gov.sk.ca/scic

1999-2000 Annual Report
Supplementary Information

CANADA - SASKATCHEWAN
Crop Insurance

Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

Saskatchewan Crop Insurance Corporation

Supplier Payments

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment.

VENDOR	AMOUNT
Advanced Solutions Group	$43,415
Agricultural Credit Corporation of Saskatchewan	259,798
Mr. H. Anderson	34,004
Canada Post Corporation	293,157
Cansel Survey Equipment	220,065
CompuSmart	150,884
Data Business Forms	41,633
Delta Regina Hotel	21,055
Dot. Com Communications	149,356
DP Consultants Inc.	85,424
EDS Innovations Inc.	251,334
GE Capital IT Solutions Inc.	122,560
Grand & Toy	79,561
Human Resources Services Ltd.	39,895
IBM Canada Ltd.	1,095,528
Innova Envelope Inc.	43,747
KPMG LLP	143,145
Linnet Geomatics International	33,816
Marathon Leasing Corporation	29,733
The Marketing Den	55,594

VENDOR	AMOUNT
Ochs Motor Products Ltd.	$26,767
Olive Waller Zinkhan & Waller	226,333
Pentasafe Inc.	37,480
Pitney Bowes Leasing	32,847
Pitney Bowes Postage-by-Phone	30,000
Professional Audio Visual	24,850
Radisson Hotel – Saskatoon	22,120
Saskatchewan Agriculture and Food	111,578
Saskatchewan Property Management Corporation	1,812,442
Sask Tel, CMR	553,872
Saskatchewan Workers' Compensation Board	109,624
Saskatchewan Research Council	55,000
Sharp's Audio-Visual Ltd.	39,509
Software Spectrum Canada, Ltd.	116,389
Tillinghast-Towers Perrin	29,473
Travelodge Hotel – Regina	36,162
Travelodge Hotel – Saskatoon	49,013
University of Saskatchewan	79,585
West Harvest Inn – Regina	21,673
Xerox Canada Ltd.	26,546

Personal Services- Employees

Listed are individuals (excluding unionized employees) who received payment for salaries, wages, honorariums, etc. which totalled $2,500 or more.

PAYEE	AMOUNT
Ames, Judy	$52,389
Armbruster, Elizabeth	44,447
Audette-Sand, Gail	52,384
Bastness, Harry	14,923
Bellamy, Donna	59,901
Benjamin, Stan	84,319
Biletski, George	63,948
Bowyer, F. Morley	52,389
Brandt, Doris	4,200
Brown, Ann	52,389
Bulych, Jim	11,535
Burnett, John	52,311
Butchko, Lori	14,266
Charabin, Walter	60,242
Classen, Ethel	50,825
Cleveland, Beverley	42,847

PAYEE	AMOUNT
Coldwell, Maria	$52,133
Conacher, Muriel	5,122
Cooper, Mike	64,182
Cudmore, William	84,312
Dingle, Terry	74,132
Emond, Denis	74,294
Erickson, Kelly	52,389
Granquist, Sharon	38,664
Hardie, Shelley	38,035
Hill, George	63,479
Hittel, Ronald	63,943
Hogg, Betty	52,384
Hughes, Earl	61,621
Krahenbil, Adrienne	31,857
Krahenbil, Sherry	38,035
Liebrecht, Collin	52,385

Personal Services - Employees

Listed are individuals (excluding unionized employees) who received payment for salaries, wages, honorariums, etc. which totalled $2,500 or more.

PAYEE	AMOUNT	PAYEE	AMOUNT
Longworth, Wayne	$52,384	Skinner, Reginald	$4,200
Lowndes, Glen	9,533	Soll, Neil	28,669
Matthies, Doug	96,830	Stanley, Larry	52,384
McCuaig, David	51,451	Stefankiw, Valerie	46,283
Moyse, Lee	52,032	Stirling, Janice	9,300
Myhr, Deborah	52,389	Svenson, Kenneth	63,559
Napady, Wendy	39,830	Swan, Cameron	71,066
Nielson, Ferne	3,488	Taylor, Gordon	8,525
Nussbaumer, George	81,309	Tyacke, Shirley	50,213
Nyeste, Marjorie	52,010	Visser-Niven, Gloria	45,928
Potts, Glen	43,169	Warner, Darby	52,385
Price, Jean	52,389	Warnes, Lorne	83,750
Quintal, Ernest	52,389	Wass, Chris	4,200
Salamon, Joanne	31,860	Wilgosh, Bernice	52,384
Sawyer, Louise	63,949	Winterhalt, Dianne	16,146
Schmeiser, Joe	52,389	Wouters, Neil	35,360
Schmelinsky, Cindy	31,860	Yuzik, Lyle	52,301
Sinclair, Cameron	52,384	Payees under $2,500	4,316

CANADA ~ SASKATCHEWAN

Crop Insurance

HEAD OFFICE:
Box 3000
484 Prince William Drive
Melville, SK S0A 2P0

Phone: (306) 728-7200
Fax: (306) 728-7268
Toll-Free: 1-888-935-0000

Email: customer.service@scic.gov.sk.ca
Website: http://www.agr.gov.sk.ca/scic